



Minutes of the Board Meeting held on Tuesday 17 September 2019 at 4pm Link House, 2C New Mart Road, Edinburgh, EH14 1RL.

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Present: Mr R Martin (Chair)  
Ms P Biberbach  
Ms M Catterall  
Ms C Cuthbertson  
Mr J Flaherty  
Mr D Mackie  
Mr A Smith

In attendance: Mrs H Bayne  
Mr C Culross  
Mrs K Evans  
Mrs J Green  
Mr N Hall  
Mr J Turner

Mrs C Clapperton (Minutes)

## Action

### 1.0 ELECTION OF CHAIR AND VICE CHAIR

Mr Hall invited nominations from the Board for the positions of Chair and Vice Chair.

Mr Martin was proposed as Chair by Mr Mackie, seconded by Mr Smith and unanimously approved.

Ms Biberbach and Mr Smith were proposed as Vice Chairs by Mr Mackie, seconded by Ms Cuthbertson and unanimously approved.

### 2.0 DECLARATIONS OF INTEREST

None.

### 3.0 APOLOGIES

Apologies were received from Mr Allan, Mr Dickson and Mrs Donaldson (Leave of absence).

### 4.0 APPROVAL OF THE MINUTES OF THE MEETING HELD ON 23 JULY 2019

The minutes of the meeting held on Tuesday 23 July 2019 were approved.

Moved: Mr Mackie  
Seconded: Mr Smith

### 5.0 MATTERS ARISING FROM THE MINUTES OF THE MEETING HELD ON 23 JULY 2019

## **5.1 Renumeration Committee**

It was noted that following the July Board meeting proposals with regard to Senior Management Group pay awards were sent out to Board members on behalf of the Remunerations Committee. A proposal was also made to confirm the probationary period for the Chief Executive. All the proposals were accepted, and the decision was recorded as a confidential minute, signed by the Chair, and retained by Link's Head of Human Resources.

The Board noted that the Remuneration Committee had discussed whether to seek the Board's approval to delegate powers to the Committee which would mean changes would be required to the Standing Orders in due course.

It was noted that an updated succession plan for the Senior Management Team was being developed and more information on this would be presented to the Remuneration Committee in November and reported back to the Board. The Remuneration Committee had also reviewed the policy of setting and reviewing pay and pay scales for the Senior Management Group.

## **5.2 MetLife**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

## **5.3 Any other matters arising**

Mr Mackie asked whether the Board would be considering recruiting more Board members considering the recent resignations. Mr Turner advised that recruitment for new Board members was temporarily on hold while the strategic services review was ongoing.

## **6.0 LINK GROUP ACTIVITIES AND ACHIEVEMENTS**

### **6.1 Chief Executive Update**

#### **Incident at Fountain Bridge**

Mr Turner advised that further to the email sent to the Board regarding the fire at Fountain Bridge, the Scottish Housing Regulator

had been notified of the incident and would be kept advised of any developments. It was believed that the fire had been caused by a gas explosion in the property. The Board was further advised that a police investigation was ongoing, and that Link were in daily contact with the City of Edinburgh Council. It was noted that Harper McLeod would represent Link on any legal matters. An update would be given to the Board when further information was available.

#### Partnership Opportunity

Mr Turner reported that discussions with another housing association seeking to join the group were ongoing. 1:1 meetings had taken place with the Senior Management Teams from both organisations and further information was awaited to conduct the initial due diligence. It was noted that there would be a joint senior staff meeting taking place on 10 October 2018. A further update would be provided at the November Board meeting.

#### Link Housing Customer “App”

The Board noted that interest in the customer housing app had been excellent and there were currently 400 users.

#### AGM

Mr Turner advised that the feedback from the AGM and the morning sessions had been very positive and that Link would consider producing a similar programme at future AGM's.

### **6.2 Chair's Update**

Mr Martin advised that the Board that he and Mr Turner had attended the Horizon AGM on Thursday 12 September 2019.

## **7.0 GROUP STRATEGY DEVELOPMENT**

The Board considered and discussed the previously circulated report.

Although the Strategic Services Review report was still awaited, Mr Turner explained that there were a number of potential developments of the current corporate structure which were being considered in conjunction with the Strategic Services Review.

Mr Turner gave a presentation entitled “Corporate Strategy” which reflected on three areas being: Services; Commercial Services and Central Services. The structure of the group going forward needed to encompass:

- Clarification of roles and responsibilities across the group;

- Separation of commercial activities from social activities – risk ring fencing for the social housing core work and building new opportunities for the commercial arm;
- Centralisation of Treasury function to enhance risk management;
- Enhanced opportunities to share services and lower costs of funding;
- “Spring clean” of surplus companies to reduce costs; and
- Development of a platform which provides a more flexible position for any future partnership discussions with external parties.

The Board noted the progress made and agreed that a further discussion on the structure would take place on the morning of 22 October 2019, with a group-wide all Board discussion of the Strategic Services Review report taking place in the afternoon of that day.

## 8.0 ANNUAL ASSURANCE STATEMENT

The Board considered and discussed the previously circulated report.

Mrs Bayne and Mrs Evans provided a presentation which described the process undertaken and the work involved in enabling each RSL subsidiary to conclude that they complied with all the relevant regulatory requirements, standards and outcomes set out in the Scottish Social Housing Charter, all relevant legislative duties and the Standard of Governance and Financial Management.

The Board reviewed the work undertaken and also by Link Group Limited, noting that the Senior Management Group had confirmed that there were no material issues which required disclosure in the Annual Assurance Statement.

***The Board approved the Annual Assurance Statement and agreed that the statement would confirm that we have considered appropriate systems, evidence and channels of communication to ensure we comply with:***

- ***all relevant regulatory requirements set out in chapter 3 of the regulatory framework***
- ***all relevant standards and outcomes in the Scottish Housing Charter***
- ***all relevant legislative duties***
- ***the Standards of Governance and Financial Management***

***It was also agreed that the statement would be signed by Link's Chair on the Board's behalf.***

## 9.0 FINANCIAL REPORTS

### 9.1 Directors Report

LGB/04/19 – Tuesday 17 September 2019

The Board considered and discussed the previously circulated report.

The budget variance report to 31 July 2019 showed an operating surplus of £2,263,800 which was more than the budget by £139,562. The retained surplus (after interest and gift aid) was £109,271 which was £269,807 more than budget.

The Board noted the report.

## **9.2 Funding the Development Programme**

The Board considered and discussed the previously circulated report.

Mr Hall advised that with the MetLife Private Placement (PP) completed, Link had raised £90m of private finance this financial year, approximately 50% of the amount identified when the business plan was produced in February 2019. The MetLife funding of £40m means that Link will draw only £10m of its £45m Revolving Credit Facilities (RCF) in the next 12 months.

It was reported that Link was also in discussion with Lloyds about increasing the RCF or setting up a term loan. Together with the RBS potential 10-year term loan, this could cover off most of the remaining balance of Link's funding requirements of £180m associated with the development programme. Consideration of these matters was ongoing.

The Board noted the report.

## **10.0 GOVERNANCE**

### **10.1 Scottish Housing Regulator Standards of Governance and Financial Management**

The Board considered and discussed the previously circulated report.

Mr Hall advised the Board that very soon after completing the self-assessment in March 2019 the SHR had published updated regulatory standards (noted in the appendix within the Board papers). The purpose of the report was to refresh the self-assessment and advise the Board of the changes to the regulatory standards.

***The Board considered and discussed the changes to the standards and agreed that Link had complied with the revised standards.***

### **10.2 Severance and Settlement Agreement Policy**

The Board considered and discussed the previously circulated report.

***The Board approved the Severance and Settlement Agreement Policy.***

### **10.3 Complaints Against the Senior Officer Policy**

The Board considered and discussed the previously circulated report.

It was noted that in the event of a complaint arising it might be appropriate for Board Members to seek external help at the time in handling such a complaint.

***The Board approved the Complaints Against the Senior Officer policy.***

### **10.4 Rent Consultation Report**

The Board considered and discussed the previously circulated report.

Mrs Green advised the Board that she was seeking approval on the rent consultation proposal and timescales as well as approving the two rent increase options. The report set out how Link Housing Association plan to roll out the new and improved process as well as suggested timescales for each stage of the process.

The Board noted the Rent Consultation Booklet that had been produced and it was anticipated that all subsidiaries would adopt the booklet including their respective figures.

It was agreed that there would be an 'uncertainty clause' included in the Rent Consultation Booklet to cover off any eventuality or negative economic impact that could arise between now and the Board being asked to agree an increase in January 2020.

***The Board approved the consultation proposal, timescales and the two rent increase options of 2.5% and 3%.***

### **10.5 Review of Standing Orders**

The Board considered and discussed the previously circulated report.

Mr Hall advised the Board that the Standing Orders were due for review. It was noted that this had been due to take place in May 2019 however it was held over until the Board decided if the remit of the Audit and Risk Committee would change. At the July Board

meeting the Board agreed a reporting framework in relation to Key Performance Indicators and Risk Registers which did not require updating the terms of reference of the Audit and Risk Committee.

Mr Hall reported that the Standing Orders may change significantly, either from proposals coming forward from the Strategic Services Review or through other ongoing discussions on corporate and funding structures, which may re-define some responsibilities set out in the Standing Orders. It was proposed that until such changes do arise it was proposed that the Standing Orders were reviewed and updated in line with known requirements.

The Standing orders require the Board to resolve to change the Standing Orders at one meeting and then formally adopt the revisions at the next meeting.

The report detailed the proposed changes to the Standing Orders.

***The Board resolved to amend the Standing Orders at the November 2019 Board meeting.***

#### **10.6 Subsidiary Board Membership**

The Board considered and discussed the previously circulated report.

The Board noted the appointment of Gerry Boyle as Vice Chair, Sine MacVicar as a co-opted member and David Bittleston, Linda Houston and Mark Feinman as full Board members of West Highland Housing Association Limited. The Board further noted the resignation of Elaine Robertson from the West Highland Board.

#### **10.7 Freedom of Information**

The Board considered and noted the previously circulated report

### **11.0 SUB COMMITTEE REPORTING**

#### **11.1 Development Sub Committee**

The Development Sub Committee granted approval to conclude the Commencement Agreement of the Partnering (PPC(S)2000) contract with McTaggart Construction Ltd, which will conclude the tender for the delivery of 45 units for social rent at Dalmarnock Riverside, for the sum of £6,659,677.63. All subject to concluding the following items:

- Satisfactory conclusion of the necessary due diligence
- Satisfactory agreement of the Commencement Agreement of the Partnering (PPC(S)2000) contract
- A satisfactory offer of grant from Glasgow City Council Development Regeneration Services.

## 12.0 QUARTER 1 UPDATES

### 12.1 Key Performance Indicators

The Board considered and noted the previously circulated report.

It was agreed that this report would be brought back to the November Board meeting to allow a more in-depth discussion on the results.

### 12.2 Customer Complaints and Feedback Quarter 1

The Board considered and noted the previously circulated report.

### 12.3 Quarterly Loan Covenant

The Board considered and noted the previously circulated report.

### 12.4 Link Housing Association Write Offs – Quarter 1

The Board considered and noted the previously circulated reports.

### 12.5 Gas Servicing – Quarter 1

The Board considered and noted the previously circulated report.

### 12.6 Water Management (Legionella) – Quarter 1

The Board considered and noted the previously circulated report.

### 10.8 Chair Remuneration

*Mr Martin and staff members (with the exception of Mr Hall and Mrs Clapperton) left the room at this point.*

Mr Smith advised the Board that they would receive an email from Jen Clarke, Link's Head of Human Resources, with regard to Mr Martins current contract. The Board was requested to provide feedback by 7 October 2019 on any matters within the contract and also provide feedback on the Chair's performance. Following this the appraisal would be conducted by the two Vice Chairs.

***It was agreed that Mr Martin's service contract would be extended until November 2019 to allow completion of the appraisal and report back to the Board.***

*Mrs Catterall left the meeting at this point.*

*Mr Martin and staff members re-joined the meeting at this point.*

## 13.0 ANY OTHER BUSINESS

None.

**14.0 DATE OF NEXT MEETING**

Tuesday 19 November 2019 at Link House, 2c New Mart Road,  
Edinburgh, EH14 1RL

The Meeting closed at 6:21pm.